Department of Finance

News Release

Immediate release

Ottawa, April 26, 2007
2007-037

Release of *The Fiscal Monitor*

The Honourable Jim Flaherty, Minister of Finance, today released *The Fiscal Monitor* for February 2007.

Highlights

February 2007: budgetary surplus of $4.6 billion

There was a budgetary surplus of $4.6 billion in February 2007, up $0.6 billion from the $3.9-billion surplus in February 2006. Budgetary revenues rose $1.8 billion, or 8.6 per cent, due primarily to strong growth in corporate income tax revenues, partially offset by a decline in goods and services tax revenues resulting from the July 1, 2006, rate reduction. Program expenses increased by $1.2 billion, or 8.3 per cent, reflecting an increase in transfer payments and departmental operating expenses. Public debt charges were virtually unchanged.

April 2006 to February 2007: budgetary surplus of $9.2 billion, including the cost of Budget 2007 proposals

The budgetary surplus is estimated at $14.1 billion for the first 11 months of the 2006–07 fiscal year, up from the $13.0-billion surplus posted in the same period of 2005–06. Budgetary revenues rose $10.4 billion, or 5.2 per cent, reflecting strong growth in income tax revenues. Program expenses were up $9.0 billion, or 5.7 per cent, due to both higher transfers and other program expenses. Public debt charges were up $0.3 billion.

The results to date are broadly consistent with the Budget 2007 projection of a final surplus of $9.2 billion for 2006–07.

- The monthly results through February do not reflect $4.9 billion in measures announced in Budget 2007 and which will take effect in 2006–07, including the new child tax credit, the Canada ecoTrust for Clean Air and Climate Change, and the Patient Wait Times Guarantee Trust. The cost of these measures will be reflected in March and the end-of-year supplementary period. Deducting the cost of these measures from the $14.1-billion year-to-date surplus would yield a surplus of $9.2 billion.

2007-02834/

- The final outcome for 2006–07 will be determined by results in March and the end-of-year supplementary period.

The Fiscal Monitor is a monthly document that provides highlights of the federal government's fiscal performance, including monthly revenues, expenses, the budgetary balance and the financial source/requirement.

For further information, media may contact:

Chisholm Pothier
Press Secretary
Office of the Minister of Finance
613-996-7861

David Gamble
Media Relations
Department of Finance
613-996-8080

www.fin.gc.ca

If you would like to receive automatic e-mail notification of all news releases, please visit the Department of Finance website at www.fin.gc.ca/scripts/register_e.asp